GLOBAL Cannabis APPLICATIONS CORP

(formerly Fundamental Applications Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended September 30, 2017 and 2016

(Stated in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited consolidated interim financial statements of Global Cannabis Applications Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

GLOBAL CANNABIS APPLICATIONS CORP.
(formerly Fundamental Applications Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian Dollars)
(unaudited)

		Sep 30, 2017		June 30, 2017
ASSETS				
Current assets				
Cash	**$**	**112,539**	$	111,597
GST receivable		**14,794**		9,094
Prepaid expenses		**3,193**		3,193
		130,525		123,884
Intangible assets (Note 4)		**851,048**		909,459
Equipment (Note 5)		**1,260**		1,260
	$	**982,833**	$	1,034,603
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable	**$**	**155,338**	$	179,519
Short-term loans (Note 6)		**404,324**		396,559
		559,662		576,078
SHAREHOLDERS' EQUITY				
Share capital (Note 8)		**5,073,689**		4,766,113
Share-based payment reserve (Note 8)		**1,162,309**		1,073,009
Deficit		**(5,812,826)**		(5,380,597)
		423,171		458,525
	$	**982,833**	$	1,034,603

Going concern (Note 1)
Subsequent events (Note 12)

Approved on behalf of the Board:

"Bradley Moore"	*"Alexander Helmel"*
Bradley Moore	Alexander Helmel

GLOBAL CANNABIS APPLICATIONS CORP.
(formerly Fundamental Applications Corp.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Stated in Canadian Dollars)
(unaudited)

	Three Months Ended Sep 30	
	2017	2016
Expenses		
Accounting and audit fees	**$ 4,500**	$ 4,500
Amotization of intangible asssets (Note 4)	**58,411**	20,742
Bank and interest charges (Note 6)	**8,260**	8,056
Consulting fees (Notes 7 and 8)	**166,643**	199,571
Depreciation of equipment (Note 5)	**-**	-
Impairment of intangible asset (Notes 4)	**-**	-
Legal fees	**-**	-
Marketing	**58,445**	109,146
Office and miscellaneous	**3,210**	5,961
Research and development costs (Note 7)	**20,814**	17,110
Share-based payments (Notes 7 and 8)	**89,300**	-
Transfer agent, listing, and filing fees	**18,418**	17,067
Travel	**4,228**	18,596
	(432,229)	(400,749)
Other item:		
Acquisition Costs	**-**	23,625
Net and comprehensive loss	**$ (432,229)**	$ (424,375)
Basic and diluted loss per share	**$ (0.01)**	$ (0.02)
Weighted average number of common shares outstanding	**45,656,966**	25,033,259

GLOBAL CANNABIS APPLICATIONS CORP.
(formerly Fundamental Applications Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)
(unaudited)

	Three Months ended Sep 30, 2017	Three Months ended Sep 30, 2016
Operating Activities		
Net loss	**$ (432,229)**	$ (424,375)
Items not affecting cash:		
Depreciation and amortization	**58,411**	20,742
Impairment on intangible	**-**	-
Accrued interest	**7,765**	7,948
Share-based compensation	**89,300**	-
Shares issued for services	**-**	-
Shares issued for finders fee	**-**	23,625
Changes in non-cash working capital items related to operations:		
GST receivable	**(5,699)**	(4,677)
Prepaid expenses	**-**	(55,000)
Accounts payable	**(24,182)**	191,238
Cash used in operating activities	**(306,634)**	(130,499)
Financing Activities		
Loans (repaid) advance	**-**	(35,000)
Advances (refunds) on private placement	**-**	60,000
Shares issued for cash, net of issue costs	**307,575**	95,000
Cash provided by financing activities	**307,575**	120,000
Increase (decrease) in cash	**942**	(10,499)
Cash, beginning	**111,597**	21,134
Cash, ending	**$ 112,539**	$ 10,635
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ -	$ -
Income taxes	$ -	$ -

Non-cash transactions – Note 11

GLOBAL CANNABIS APPLICATIONS CORP.
(formerly Fundamental Applications Corp.)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Stated in Canadian Dollars)
(unaudited)

	Share capital						
	Number of Shares	Amount	Obligation to issue shares	Subscriptions Received	Share-based payment reserve	Deficit	Total
Balance, June 30, 2016	**24,566,119**	**2,697,081**	**-**	**-**	**961,677**	**(3,904,156)**	**(245,398)**
Shares issued for cash net of costs (Note 8)	475,000	95,000	-	-	-	-	95,000
Shares issued for debt (Note 8)	573,182	125,638	-	-	-	-	125,638
Shares issued for acquisition (Notes 4 & 8)	3,675,000	496,125	-	-	-	-	496,125
Shares cancelled for non-achievement of milestones (Note 8)	(960,000)	-	-	-	-	-	-
Subscriptions received	-	-	-	60,000	-	-	60,000
Share based payments (Note 8)	-	-	-	-	-	-	-
Net and comprehensive loss	-	-	-	-	-	(424,375)	(424,375)
Balance, September 30, 2016	**28,329,301**	**3,413,844**	**-**	**60,000**	**961,677**	**(4,328,532)**	**106,989**
Balance, June 30, 2017	**43,339,009**	**4,583,863**	**182,250**	**-**	**1,073,009**	**(5,380,597)**	**458,525**
Shares issued for cash net of costs (Note 8)	4,101,000	307,575	-	-	-	-	307,575
Shares issued for debt (Note 8)	-	-	-	-	-	-	-
Shares issued for acquisition	-	-	-	-	-	-	-
Shares issued for services (Notes 4 and 8)	-	-	-	-	-	-	-
Shares cancelled for non-achievement of milestones (Note 8)	-	-	-	-	-	-	-
Share based payments (Note 8)	-	-	-	-	89,300	-	89,300
Net and comprehensive loss	-	-	-	-	-	(432,229)	(432,229)
Balance, September 30, 2017	**$ 47,440,009**	**$ 4,891,438**	**$ 182,250**	**-**	**$ 1,162,309**	**$ (5,812,826)**	**$ 423,171**

1. Nature and Continuance of Operations

Global Cannabis Applications Corp. (the "Company" or "Global Cannabis") was incorporated on July 14, 2014, under the *Business Corporation Act* (British Columbia) under the name of Kluster Technologies Inc. On August 1, 2014, the Company changed its name to Antisocial Networks Ltd. and on September 2, 2014, changed its name to Fundamental Applications Corp. On September 18, 2014, the Company commenced trading on the Canadian Securities Exchange ("CSE") under the trading symbol "FUN". On April 10, 2017, the Company changed its name to Global Cannabis Applications Corp. with a resulting symbol change to "APP" on April 18, 2017. The head office of the Company is 1820 – 925 West Georgia Street, Vancouver, BC V6C 3L2. The Company develops applications for smartphones and tablets.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2017, the Company has not generated any revenues from operations, has a working capital deficit of $429,136 and an accumulated deficit of $5,812,826. The continued operations of the Company are dependent on its ability to generate future cash flows from operations or obtain additional financing. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Management intends to finance operating costs over the next twelve months with private placements of common shares and loans from directors. While management has been successful in obtaining sufficient funding for its operating and capital requirements from the inception of the Company to date, there is no assurance that additional funding will be available to the Company, when required, or on terms which are acceptable to management.

2. Statement of Compliance

The financial statements were authorized for issue on November 29, 2017, by the directors of the Company.

Statement of Compliance

These unaudited consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS"), Interim Financial Reporting ("IAS 34"). The accounting policies adopted in these interim financial statements are consistent with the accounting policies adopted in the Company's consolidated financial statements for the years ended June 30, 2017, and 2016, and as such, these unaudited interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the years ended June 30, 2017, and 2016.

The preparation of unaudited consolidated interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates and the exercise of management's judgment in applying the Company's accounting policies. Areas involving a high degree of judgment or complexity and areas where assumptions and estimates are significant to the Company's unaudited consolidated interim financial statements are discussed in Note 3.

The Company's unaudited consolidated interim financial statements have been prepared on a historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The comparative figures presented in these unaudited consolidated interim financial statements are in accordance with IFRS. Certain comparative figures may have been reclassified to conform to the current period's presentation.

3. Significant Accounting Policies

Basis of Measurement

The financial statements have been prepared on an accrual basis except for certain financial instruments, and are based on historical costs. The financial statements are presented in Canadian dollars which is also the Company's functional currency.

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

	Country of incorporation	**Percentage owned***	
		Sep 30, 2017	**Sep 30, 2016**
Antisocial Holdings Ltd.	Canada	100%	100%
FORO Technologies Inc.	Canada	100%	100%
OPINIT LLC.	USA	100%	0%

*Percentage of voting power is in proportion to ownership.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and estimating the fair value for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8.

Significant Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's accounting policies in these financial statements was:

- Evaluating whether or not costs incurred by the Company in developing its smartphone applications meet the criteria for capitalizing as intangible assets. Management determined that as at September 30, 2017, it was not able to demonstrate with sufficient certainty that it is probable the economic benefits will flow to the Company. Accordingly, all research and development costs incurred to date have been capitalized.
- Evaluating whether or not there are indicators of impairment relating to the costs capitalized by the Company for the smartphone applications are assessed for indicators of impairment.

Other significant judgments in applying the Company's accounting policies relate to the assessment of the Company's ability to continue as a going concern (Note 1) and the classification of its financial instruments.

3. Significant Accounting Policies (continued)

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Equipment

Equipment is recorded at cost, less accumulated depreciation and accumulated net impairment losses.

Depreciation is calculated based on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognized in net earnings over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits of the asset.

Depreciation is recognized as follows: Computer equipment 20% - 50% declining balance

Intangibles

Separately acquired intellectual property and intellectual property rights, application software, and trademarks are recorded at historical cost. Intellectual property and intellectual property rights, application software, and trademarks acquired in a business combination are recognized at fair value at the acquisition date. Intellectual property and intellectual property rights, application software, and trademarks have a finite usefule life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of the items over their estimated useful lives of five years.

Research and development

Research costs are expensed when incurred. Internally-generated software costs, including personnel costs of the Company's development group, are capitalized as intangible assets when the Company can demonstrate that the technical feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development; and the Company can reliably measure the expenditure attributable to the intangible asset during its development. After initial recognition, internally-generated intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses. These costs are amortized on a straight-line basis over the estimated useful life of five years.

3. Significant Accounting Policies (continued)

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Because the Company has reported a net loss for the periods presented, the effect of options and warrants would be anti-dilutive. Accordingly, diluted loss per share equals basic loss per share.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Cash is classified as loans and receivables.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. The Company's non-derivative financial liabilities consist of accounts payable, due to related parties and short-term loans.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

3. Significant Accounting Policies (continued)

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided annually, using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed annually, at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Accounting standards issued by not yet effective

New standard IFRS 9 "Financial Instruments":

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

The Company has not early adopted this new standard and is currently assessing the impact that this standard will have on its consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Stated in Canadian Dollars) (unaudited)

4. Intangible Assets

Intangible assets acquired through acquisition or development:

		OPINIT		Serum		Foro and Truth	Total
Cost:							
Balance, June 30, 2016		-		60,000		354,842	414,842
Additions		813,375		-		-	813,375
Balance June 30, 2017	$	813,375	$	60,000	$	354,842	$ 1,228,217
Additions		-		-		-	-
Balance September 30, 2017	**$**	**813,375**	**$**	**60,000**	**$**	**354,842**	**$ 1,228,217**
Accumulated amortization:							
Balance, June 30, 2016		-		18,000		106,452	124,452
Impairment		-		30,000		-	30,000
Amortization		81,338		12,000		70,968	164,306
Balance, June 30, 2017	$	$81,338	$	60,000	$	177,420	$ 318,758
Impairment		-		-		-	-
Amortization		40,669		-		17,742	58,411
Balance September 30, 2017	**$**	**122,007**	**$**	**60,000**	**$**	**195,162**	**$ 377,169**
Carrying amount:							
As at June 30, 2016	$	-	$	42,000	$	248,390	$ 290,390
As at June 30, 2017	$	732,037	$	-	$	177,422	$ 909,459
As at September 30, 2017	**$**	**691,368**	**$**	**-**	**$**	**159,680**	**$ 851,048**

On September 21, 2016, the Company completed the acquisition of OPINIT LLC (“OPINIT”), acquiring a mobile application whereby the Company issued 7,500,000 shares for 100% of the issued and outstanding shares of OPINIT (Note 8). Of the 7,500,000 shares, 3,500,000 with a fair value of $472,500 were released immediately and the remaining 4,000,000 shares (the “Milestone Shares”) are subject to release restrictions whereby they shall be released upon achievement of certain milestones. A total of 2,000,000 of the Milestone Shares shall be released upon the completion of the development and release of the BETA version of the university instance desktop portal including integration feeds from OPINIT mobile application and the Foro mobile application. The remaining 2,000,000 Milestone Shares will be released pro-rata to the Opinit Shareholders in connection with the combined user counts of both the OPINIT mobile application and the Foro Mobile Application. The milestone shares were valued on the date of the acquisition based on the probability that they would be realized in the future and an additional $317,250 was recorded. On December 28, 2016, the total combined user count was over 300,000, accordingly, the Company released 1,000,000 Milestone shares with a fair value of $135,000. In addition to the shares released for the milestone, 50,000 shares with a fair value of $2,000 were issued for advisory fees related to reaching the milestone. The Company issued 175,000 shares, which have been recorded with a fair value of $23,625, to an arm’s-length finder. In the event that the Company enters into any form of amalgamation, merger, arrangement or similar transaction which results in the acquisition of 20% or more of the voting securities of the Company, the entirety of the Milestone Shares will be issued and released to the OPINIT shareholders

During the year ended June 30, 2014, the Company acquired the Serum, Foro and Truth mobile applications.

During the year ended June 30, 2017, the Company commenced development on the Citizen Green mobile application. To September 30, 2017, cost incurred of $59,580 have been expensed as research and development.

(Stated in Canadian Dollars) (unaudited)

5. Equipment

Cost:		
Balance, June 30, 2017 and 2016	$	7,067
Accumulated depreciation:		
Balance, June 30, 2016		5,303
Depreciation		504
Balance, June 30, 2017		5,807
Depreciation		-
Balance September 30, 2017	$	5,807
Carrying amount:		
As at June 30, 2016	$	1,764
As at June 30, 2017	$	1,260
As at September 30, 2017	**$**	**1,260**

6. Short Term Loans

At December 31, 2016, the total loan principal balance was $392,420 and $51,296 in interest has been accrued. On January 1, 2017, all short term loans and outstanding interest were renegotiated and consolidated into a single unsecured, due on demand loan totaling $443,716 and bearing interest at 7% per annum. The Company paid the lendor $75,000 as an arrangement fee in connection with the re-negotiation which was recorded as a reduction of the debt. During the year ended June 30, 2017, $37,500 of the re-negotiation fee was expensed as interest. As at June 30, 2017, $25,000 in principal was repaid leaving a balance net of the unamortized portion of the arrangement fee, of $381,216 outstanding and interest payable of $15,343. During the period ended September 30, 2017 $7,765 in interest was accrued. During the three months ended September 30, 2017, $7,765 in interest was accrued.

During the year ended June 30, 2016, a former director of the Company advanced $190,420 (2015: $367,000) to the Company for working capital and the Company repaid $165,000 in principal and $10,400 interest (2015: $nil). The advance bears 8% interest per annum, is unsecured and is due on demand. At June 30, 2016, total loan principal balance was $392,420 and $35,520 in interest has been accrued on this loan. In addition, a short-term loan in the amount of $35,000 was outstanding as at June 30, 2016.

7. Related Party Transactions

Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. During the three months ended September 30, 2017, the Company entered into the following transactions with key management personnel:

	Three months ended			
		Sep 30, 2017		**Sep 30, 2016**
Fees paid or accrued to the CEO (B. Moore)	$	45,000	$	50,071
Fees paid or accrued to a company controlled by the CFO (A. Helmel)		15,000		15,000
	$	60,000	$	65,071

During the three months ended September 30, 2017, share based compensation for key management during the period totaled $Nil (2016: $Nil).

The transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At September 30, 2017, a balance of $Nil (2016: $37,500) was owing to related parties. This amount is unsecured, non-interest bearing and due on demand.

8. Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

During the three months ended September 30, 2017

On August 9, 2017, the Company completed a private placement of 4,101,000 units at a price of $0.075 per unit for gross proceeds of $307,575. Each unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.10 at any time prior to August 9, 2022.

During the year ended June 30, 2017

On April 24, 2017, the Company completed a private placement of 3,666,665 units at a price of $0.075 per units for gross proceeds of $275,000. Each unit was comprised of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.10 at any time prior to April 24, 2019.

On March 10, 2017, the Company issued 300,000 shares to settle $30,000 of debt. Each share was fair valued at $0.06 per share and a gain on settlement of $12,000 was realized.

On March 2, 2017, the Company issued 1,500,000 shares to setttle $75,000 of debt. Each share was fair valued at 0.06 per share and a loss on settlement of $15,000 was realized.

On February 27, 2017, the Company completed a private placement of 3,500,000 shares at a price of $0.05 per share for gross proceeds of $175,000. Finder's fees totalaling $3,000 in cash, 250,000 finders shares with a fair value of $12,500 and 250,000 broker warrants with fair value of $5,817 were issued in connection with this private placement. Each broker's warrant is exercisable into one common share at a price of $0.10 until February 27, 2018.

On February 15, 2017, the Company issued 500,000 shares to settle $50,000 of debt. Each share was fair valued at $0.05 per share and a gain on settlement of $25,000 was realized.

On December 28, 2016, the Company issued 1,000,000 shares in connection with OPINIT milestone completion. The Company issued 50,000 shares to an advisor for service in connection with reaching a milestone (Note 4).

On November 29, 2016, the Company completed a private placement of 623,727 units at a price of $0.11 per unit for gross proceeds of $68,610. Each unit was comprised of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.30 at any time prior to November 28, 2018. Finder's fees totaling $801 in cash were paid and 7,280 broker warrants with fair value of $162 were issued in connection with this private placement. Each broker's warrant is exercisable into one common share at a price of $0.30 at any time prior to November 28, 2018.

On November 29, 2016, the Company issued 909,090 share to settle $100,000 of debt to related parties. Each share was fair valued at $0.09 per share and a gain on settlement of $18,182 was realized.

On October 24, 2016, the Company completed a private placement of 1,045,454 units at a price of $0.11 per unit for gross proceeds of $115,000. Each unit was comprised of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.30 at any time prior to October 25, 2018.

On October 24, 2016, the Company issued 1,664,772 shares to settle $183,125 of debt. Each share was fair valued at $0.11 per share.

On September 21, 2016, the Company completed the acquisition of OPINIT pursuant to which the Company exchanged an aggregate of 3,500,000 common shares in the capital of the Company for 100 per cent of the issued and outstanding shares of OPINIT. Concurrent with the acquisition, the Company issued 175,000 shares to an arm's-length finder (Note 4).

On July 18, 2016, 2016, the Company completed a private placement of 475,000 units at a price of $0.20 per unit for gross proceeds of $95,000. Each unit was comprised of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.30 at any time prior to July 18, 2018.

On July 18, 2016, the Company issued 580,000 shares to settle $116,000 of debt. Each share was fair valued at $0.22 and a loss on settlement of $11,600 was realized.

On July 5, 2016, the Company issued 43,182 shares to settle $9,638 of debt. Each share was fair valued at $0.215 and a gain on settlement of $353 was realized.

On July 11, 2016, the Company returned 50,000 shares to treasury as performance conditions by a consultant were not met.

On July 18, 2016, the Company returned 960,000 shares to treasury as performance conditions under the Foro Technologies Inc acquisition were not met.

<u>During the year ended June 30, 2016</u>

On July 30, 2015, the Company completed a private placement of 1,749,500 units at a price of $0.20 per unit for gross proceeds of $349,900. Each unit was comprised of one common share and one common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.30 at any time prior to December 15, 2015. Finder's fees totaling $10,215 in cash were paid and 50,575 broker warrants with a fair value of $3,058 were issued in connection with this private placement. Each broker's warrant is exercisable into one common share at a price of $0.30 at any time prior to December 15, 2015.

On September 7, 2015, the Company received gross proceeds of $6,750 for the issuance of 22,500 common shares at a fair value of $0.30 per share for warrants exercised.

On September 28, 2015, the Companyreceived gross proceeds of $29,715 for the issuance of 99,050 common shares at a fair value of $0.30 per share for warrants exercised.

On December 21, 2015, the Company completed a private placement of 957,272 units at a price of $0.22 per unit for gross proceeds of $210,600. Each unit was comprised of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.30 at any time prior to December 23, 2017. Finder's fees totaling $802 in cash was paid in connection with this private placement.

(Stated in Canadian Dollars) (unaudited)

On April 13, 2016, the Company completed a private placement of 865,226 units at a price of $0.22 per unit for gross proceeds of $190,350. Each unit was comprised of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.30 at any time prior to April 13, 2018. Finder's fees totaling $99 in cash and 3,640 broker warrants with a fair value of $571 were issued in connection with this private placement. Each broker's warrant is exercisable into one common share at a price of $0.30 for a period of two years.

On June 2, 2016, the Company completed a private placement of 900,000 units at a price of $0.18 per unit for gross proceeds of $162,000. Each unit was comprised of one common share and one common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.30 at any time prior to June 2, 2021.

On July 30, 2015, the Company issued 1,000,000 units to settle $200,000 of debt. Each unit was comprised of one common share and one common share purchase warrant. Each share was fair valued at $0.28 per share and loss on settlement of $80,000 was recognized. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.30 at any time prior to December 15, 2015.

On July 30, 2015, the Company issued 1,055,825 shares to settle $221,282 of debt. Each share was valued at $0.24 per share and loss on settlement of $32,116 was recognized.

On July 23, 2015, the Company issued 440,000 warrants for consulting services. Each warrant is exercisable into one common share at a price $0.30 for a period of two years. The warrants are fair valued at $69,067.

October 30, 2015, the Company issued 46,875 shares for consulting services of $22,500.

c) Warrants

The change in warrants during the year ended June 30, 2017, and 2016, and the three months ended September 30, 2017, is as follows:

	Number of warrants	Weighted average exercise price
Balance, June 30, 2015	1,264,472	$ 0.48
Granted	5,054,964	0.30
Expired	(121,550)	0.30
Exercised	(3,285,758)	0.37
Balance, June 30, 2016	2,912,128	0.30
Granted	3,162,703	0.15
Expired	(657,239)	0.30
Balance, June 30, 2017	5,417,592	$ 0.22
Granted	4,101,000	0.105
Expired	(440,000)	0.30
Balance, September 30, 2017	**9,078,592**	**$ 0.22**

(Stated in Canadian Dollars) (unaudited)

The following table summarizes the warrants outstanding and exercisable at September 30, 2017:

Number of Warrants	Exercise Price	Expiry Date
478,636	$0.30	December 23, 2017
436,253	$0.30	April 13, 2018
900,000	$0.30	June 2, 2018
237,500	$0.30	July 13, 2018
522,727	$0.30	October 24, 2018
319,144	$0.30	November 29, 2018
250,000	$0.10	February 28, 2018
1,833,333	$0.10	April 24, 2019
4,101,000	$0.10	August 11, 2022
9,078,592	$0.16	

At September 30, 2017, the weighted average remaining contractual life of all warrants outstanding was 2.75 years.

d) Share-based compensation

The Company has a stock option plan whereby share purchase options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's shares on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed ten years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the share purchase option grant.

On September 29, 2017, the Company granted 250,000 share purchase options to directors and officers and consultants of the Company entitling the holders thereof the right to acquire one common share for each option at a price of $0.15 until September 29, 2022. These options vested immediately.

On September 11, 2017, the Company granted 650,000 share purchase options to directors and officers and consultants of the Company entitling the holders thereof the right to acquire one common share for each option at a price of $0.135 until September 11, 2022. These options vested immediately.

On March 24, 2017, the Company granted 200,000 share purchase options to directors and officers and consultants of the Company entitling the holders thereof the right to acquire one common share for each option at a price of $0.10 until March 24, 2027. These options vested immediately.

On March 7, 2017, the Company granted 1,000,000 share purchase options to directors and officers and consultants of the Company entitling the holders thereof the right to acquire one common share for each option at a price of $0.10 until March 7, 2027. These options vested immediately.

On October 24, 2016, the Company granted 560,000 share purchase options to directors and officers and consultants of the Company entitling the holders thereof the right to acquire one common share for each option at a price of $0.15 until October 24, 2021. These options vested immediately.

On August 4, 2015, the Company granted 1,400,000 share purchase options to directors and officers and consultants of the Company entitling the holders thereof the right to acquire one common share for each option at a price of $0.26 until August 4, 2020. These options vested immediately.

On May 10, 2016, the Company granted 1,225,000 share purchase options to directors and officers and consultants of the Company entitling the holders thereof the right to acquire one common share for each option at a price of $0.26 until May 10, 2021. These options vested immediately.

(Stated in Canadian Dollars) (unaudited)

A continuity of the changes in the Company's share purchase options during the year ended June 30, 2017, and the three month period ended September 30, 2017, is presented below:

	Options	Weighted Average Exercise Price
Balance, June 30, 2015	875,000	$ 0.47
Granted	2,625,000	0.26
Cancelled	(1,700,000)	0.34
Balance, June 30, 2016	1,800,000	0.29
Granted	1,760,000	0.12
Balance, June 30, 2017	3,560,000	0.21
Granted	900,000	0.14
Balance September 30, 2017	**4,460,000**	**$ 0.19**

At September 30, 2017, the weighted average remaining contractual life of all options outstanding was 5.36 years.

During the three month period ended September 30, 2017, stock based compensation of $89,300 was recognized on the grant of stock options. The fair value of these grants was determined by the Black-Scholes Option Pricing Model using the following assumptions: expected life – 5 years, average risk-free interest rate 1.75%, expected dividend yield – 0%, and average expected stock price volatility – 100%.

During the year ended June 30, 2017, stock based compensation of $105,353 was recognized on the grant of stock options. The weighted average grant date fair value of the options granted was $0.07. The Company uses the Black-Scholes option pricing model to estimate the fair value of the options granted using the following weighted average assumptions:

Dividend yield	Nil
Annualized volatility	100%
Risk-free interest rate	1.38%
Expected life	8.4 years

During the year ended June 30, 2016, stock based compensation of $483,462 was recognized on the grant of stock options. The weighted average grant date fair value of the options granted was $0.18.

The Company uses the Black-Scholes option pricing model to estimate the fair value of the options granted during the year ended June 30, 2016 using the following assumptions:

Dividend yield	Nil
Annualized volatility	100%
Risk-free interest rate	0.79%
Expected life	5 years

e) Share restrictions

At September 30, 2017, Nil common shares were subject to resale restrictions pursuant to stock restriction agreement.

(Stated in Canadian Dollars) (unaudited)

f) Share based payment reserve

Reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

g) Loss per share

The calculation of basic and diluted loss per share for the three months ended September 30, 2017, was based on the loss attributable to common shareholders of 432,229 (2016 - $424,375) and the weighted average number of common shares outstanding of 45,656,966 (2016 – 25,033,259).

9. Income taxes

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

	June 30, 2017	June 30, 2016
Net loss for the year	$ (1,476,441)	$ (2,219,290)
Canadian federal and provincial income tax rates	26%	26%
Expected income tax recovery	(383,875)	(577,015)
Non-deductible items	32,607	157,485
Other	(988)	15,965
Change in valuation allowance	352,256	403,565
	$ -	$ -

The Company has the following tax effected deductible temporary differences for which no deferred tax asset has been recognized:

	June 30, 2017	June 30, 2016
Non-capital loss carry-forwards	$ 1,053,199	$ 746,040
Share issuance costs	19,256	24,808
Equipment and intangibles	71,127	20,476
	$ 1,143,582	$ 791,324

The Company has accumulated tax losses and other tax pools which may be used to reduce future year's taxable income. These amounts expire as follows:

2034	$ 57,069
2035	1,381,313
2036	1,431,004
2037	1,181,379
	$ 4,050,765

A valuation allowance has been recorded against the deferred income tax assets associated with the tax losses and temporary differences because of the uncertainty of their recovery.

10. Financial Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management does not believe the Company is exposed to significant interest rate risk cash is non interest bearing and liabilities bear interest at a fixed rate as at September 30, 2017.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

Fair value

The carrying value of cash, accounts payable and short term loans approximate their fair value due to the relatively short-term nature of these instruments.

Capital Risk Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to continue the development of mobile applications. As the Company is in the preliminary stages of operations, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash.

The Company is not subject to externally imposed capital requirements. There were no changes in management's approach to managing capital.

11. Non-Cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flow.

During the three months ended September 30, 2017, the Company:
- Issued 900,000 common share purchase options (see Note 8).

During the year ended June 30, 2017, the Company:

- Issued 5,497,044 to settle total debts of $543,009 (Note 8);
- Issued 4,675,000 to acquire OPINIT LLC (Note 4 and 8)

During the year ended June 30, 2016, the Company:

- Issued 3,000,000 common shares valued at $60,000 under an Asset Purchase Agreement;
- Issued 464,927 shares with a fair value of $139,478 to settle debt;
- Issued 396,000 common shares in connection with the acquisition of Antisocial;
- Issued 62,417 brokers warrants with a fair value of $7,650 in connection to private placements; and
- Issued 1,460,000 common shares in connection with the acquisition of Foro.

12. Subsequent Events

On October 5, 2017, the Company closed a non-brokered private placement issuing of 4,010,000 units at a price of $0.10 cents per unit to raise gross proceeds of $401,000. Each unit consists of one common share and one common share purchase warrant that entitles the holder to purchase one common share for a period of two years at an exercise price of $0.13 per warrant share.

On October 12, 2017, the Company granted 100,000 stock options to a director of the company. Each option entitles the holder to purchase one common share of the Company at an exercise price of $0.14 per share for a period of five years.

On November 16, 2017, the Company announced that it has closed a private placement whereby the Company has issued 2.3 million units at a price of $0.10 cents per unit for gross proceeds of $230,000. Each unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.13 per common share.

On November 28, 2017, the Company announced that it has has closed a non-brokered private placement, issuing a total of 3,501,852 units at a price of $0.135 per unit to raise gross proceeds of $472,750. Each unit consists of one common share and one-half common share purchase warrant, where each full warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.17 per share.